

Argument in Favor of Proposition 76

PROPOSITION 76 IS ONE OF THE CRITICAL REFORMS WE NEED TO CLEAN UP THE MESS IN SACRAMENTO!

YES on Prop. 76: Control State Spending

California's budget system is broken. We have record deficits, unbalanced budgets, and out-of-control spending.

The politicians can't say "no" to more spending. Since 1999–2000, the state has increased spending by twice as much as it has increased its revenue.

"California faces a budget crisis that needs to be resolved this year. The Governor's reforms . . . can go a long way toward establishing and maintaining fiscal responsibility in the state."

Contra Costa Times, April 3, 2005

Budget experts project next year's budget deficit at \$6 billion and annual deficits after that of \$4–\$5 billion. At that pace, the State will accumulate \$22 to \$26 billion in deficits over the next five fiscal years.

The choice is simple: *Pass Prop. 76 or face higher taxes such as the car tax, income tax, sales tax, and even property taxes.*

PROP. 76 IS THE BIPARTISAN SOLUTION THAT FORCES THE STATE TO LIVE WITHIN ITS MEANS:

- *Limits spending to the average rate of tax growth of the past three years, so we don't overspend in good times followed by huge deficits in bad times.*
- *Establishes "checks and balances" to encourage the Governor and Legislature to work together.*
When tax revenue slows, the Legislature can cut wasteful spending to balance the budget. If the Legislature doesn't act, the Governor can then cut wasteful spending, while protecting funding for education, public safety, and roads.
- *Stabilizes K–14 education spending. By cutting wasteful spending and balancing the budget, we'll have more funds to spend on what the state needs, without raising taxes.*

- *Stops the autopilot spending binge and holds the politicians accountable.*
- *Guarantees that taxes dedicated for highways and roads are spent on those projects and never again raided to balance the budget.*

Unfortunately, Opponents of Prop. 76 Don't Want Reform:

- *They think deficits and gridlock are just fine in Sacramento.*
- *They will stop at nothing to defeat Prop. 76 and have spent millions for television ads to confuse voters.*
- *They use scare tactics, inaccurate statements, and outright deceit, like their claims that it will cut funds for law enforcement. It's not true.*

"Prop. 76 requires repayment of previously borrowed funds so we can build new roads and repair existing roads and it doesn't reduce dedicated tax spending on local law enforcement."

Alan Autry, Mayor of Fresno

"YES" on Prop. 76:

- *Balance our budget without raising taxes.*
- *Promote bipartisan cooperation between the Legislature and the Governor.*
- *Eliminate wasteful spending and provide more money for roads, health care, law enforcement, and other important programs without raising taxes.*

PLEASE VOTE "YES ON PROP. 76"—TO CLEAN UP THE BUDGET MESS IN SACRAMENTO.

GOVERNOR ARNOLD SCHWARZENEGGER

TOM CAMPBELL, Director
California Department of Finance

SANDRA L. McBRAYER
Former National Teacher of the Year

Rebuttal to Argument in Favor of Proposition 76

According to an analysis by two recent California Finance Directors: "Proposition 76 makes a mess of the state's budget process and destroys our system of checks and balances. It slashes school funding, could force deep cuts in local services like health care and public safety, and gives the governor unchecked power over the budget—with no oversight or accountability."

Prop. 76 wasn't written by budget experts or taxpayer advocates. It was written by the president of a big business group that lobbies for tobacco, oil, insurance, and other special interests.

PROP. 76 DOESN'T "STABILIZE" SCHOOL FUNDING. It will cut school funding by over \$4 billion a year and eliminate voter-approved school funding guarantees.

PROP. 76 DOESN'T STOP NEW TAXES. Even the president of the California Republican Assembly says Prop. 76 "actually encourages tax increases."

PROP. 76 DOESN'T HOLD POLITICIANS ACCOUNTABLE OR ENCOURAGE BIPARTISAN COOPERATION. It destroys our system of checks and balances by giving the Governor unlimited power over budget decisions. He will be accountable to no one.

PROP. 76 DOESN'T END WASTEFUL SPENDING. The *Orange County Register* calls its spending controls "phony." While forcing cuts in education and public safety, Prop. 76 actually prevents cuts in programs like the California Dried Plum Board.

"PROPOSITION 76's IMPACT ON PUBLIC SAFETY WILL BE DEVASTATING," warns Ron Cottingham, president of the Peace Officers Research Association of California. "It strips local government of the funding needed for police and fire, health care, and other essential services."

PROPOSITION 76 IS "PHONY" AND A "BAD IDEA." VOTE NO.

BARBARA KERR, President
California Teachers Association

DEBORAH BURGER, President
California Nurses Association

LOU PAULSON, President
California Professional Firefighters